



Regulatory Information Circular			
Circular Number:	2003-05	Contact:	Jim Sampson, VP Market Supervision
Date:	March 31, 2003	Telephone:	212/897-0235

Subject: Bid/Ask Spreads - \$5 Maximum Pilot Program

The ISE recently received SEC approval to implement a six-month pilot program to relax quotation spreads in up to 50 underlying securities (five per bin). Pursuant to the pilot, market makers may quote all pilot series with a \$5 maximum bid/ask spread. The pilot will commence on Tuesday, April 1, 2003, and will end on September 30, 2003, unless it is extended or is terminated early. During this six-month period, the ISE will be closely monitoring the quality of markets in the pilot options, and will make a determination as to the future of the program. During the pilot, all other ISE option classes are subject to the bid/ask spread requirements outlined in rule 803.

The participating option classes are as follows:

Bin 1	Bin 2	Bin 3	Bin 4	Bin 5
ANN	CMCSA	CHTR	EBAY	BBH
COST	MER	EXPE	GMSTE	HC
DELL	NVDA	IWW	IWP	IMMU
KMB	QQQ	JDSU	RTH	INVN
GNSS	SBUX	XLB	XLY	PCG
Bin 6	Bin 7	Bin 8	Bin 9	Bin 10
EXTR	ALA	IRF	AMAT	DGX
IDPH	AOL	NBR	CSCO	GUC
ISIL	FBF	NEM	HPQ	IWV
MXIM	JNS	PPE	KO	PPD
NOC	KEM	TYC	SCH	TE

Please contact me with any questions.